



Name:  
Enrolment No:

**UPES**

**End Semester Examination, December 2024**

**Course: Foreign Exchange Management in Banking operations**  
**Program: INT-BCOM-MBA-III**  
**Course Code: FINC2048P**

**Semester:**  
**Time : 03 hrs.**  
**Max. Marks: 100**

**Instructions:**

- Section A has 20 objective-type questions. All are compulsory (Total marks 20 marks)
- Section B has 4 questions of 5 marks each. All are compulsory. (Total marks 20)
- Section C has 3 Questions of 10 marks each, out of which 2 Questions are compulsory and 1 internal choice to attempt any one. (Total marks 30)
- Section D has 2 Questions of 15 marks each, out of which 1 Question is compulsory and 1 Question have internal choice to attempt any one. (Total Marks 30)

**SECTION A**  
**10Qx2M=20Marks**

S. No.		Marks	CO
Q 1	<b>What is inward remittance in the context of the forex market?</b> A) Money sent out of the country for international transactions B) Money received from abroad into a domestic account C) Exchange of foreign currency at an airport kiosk D) Investment made by a domestic company in foreign markets	2	CO1
Q 2	<b>What role does exchange rate play in inward and outward remittance?</b> A) It determines the fees charged by the remittance service provider B) It affects the amount of foreign currency received or sent after conversion C) It decides the tax rate on international transactions D) It limits the number of remittance transactions in a day	2	CO1
Q 3	<b>Which regulatory authority in India oversees the processes of inward and outward remittance?</b> A) Reserve Bank of India (RBI) B) Securities and Exchange Board of India (SEBI) C) Ministry of Finance D) Indian Banks' Association (IBA)	2	CO1
Q 4	<b>What does FEDAI stand for in the context of the forex market?</b> A) Foreign Exchange Dealers Association of India B) Federal Exchange Development Authority of India	2	CO1

	C) Foreign Exchange Department and Investment Authority D) Financial Exchange Dealers Association of India		
Q 5	<b>FEDAI rules are most relevant to which of the following market participants?</b>  A) Stockbrokers and equity traders B) Commodity market traders C) Authorized Dealers (ADs) in foreign exchange D) Real estate investors	2	CO1
Q 6	<b>The spot rate in the forex market is the exchange rate for:</b>  A) Future transactions to be settled within 1 month B) Immediate transactions to be settled typically within 2 business days C) A 6-month forward contract D) Transactions that only involve currency swaps	2	CO2
Q 7	<b>A forward rate in forex is used to:</b>  A) Lock in an exchange rate for a transaction to be settled at a future date B) Determine the interest rate for an international loan C) Speculate on commodity prices D) Trade on stock exchanges	2	CO2
Q 8	<b>The main difference between a spot rate and a forward rate is that:</b>  A) Spot rate is for immediate settlement, and forward rate is for settlement at a future date B) Forward rate is for speculative purposes only C) Spot rate is always lower than the forward rate D) Spot rate is used for credit transactions	2	CO2
Q 9	<b>Which of the following best describes a vostro account?</b>  A) An account maintained by a domestic bank in a foreign currency B) An account held by a foreign bank in the domestic currency C) An account for interbank settlements only D) A personal savings account with a foreign bank	2	CO1
Q 10	<b>Which account type would a U.S. bank use to hold its Euro deposits with a European bank?</b>  A) Vostro account B) Nostro account C) Spot account D) Settlement account	2	CO1
<b>SECTION B</b> <b>4Qx5M= 20 Marks</b>			
Q 11	Explain the features of the Foreign Exchange Market in detail.	05	CO4
Q 12	Elaborate the Market Participants of FOREX market in depth.	05	CO4

Q 13	Infer the different types of foreign exchange markets.	<b>05</b>	<b>CO3</b>
Q 14	The Society for Worldwide Interbank Financial Telecommunications (SWIFT), facilitates secure international money and security transfers through a vast messaging network. Highlight its importance in detail.	<b>05</b>	<b>CO3</b>
<b>SECTION-C</b> <b>3Qx10M=30 Marks</b>			
Q 15	Analyze the factors that determine the foreign exchange rate, in depth.	<b>10</b>	<b>CO4</b>
Q 16	Mention and explain the services provided by Correspondent Banks.	<b>10</b>	<b>CO3</b>
Q 17	Elucidate the procedure involved in the <b>Inward Remittance</b> of FOREX money in detail  Or  Elucidate the procedure involved in the <b>Outward Remittance</b> of FOREX money in detail	<b>10</b>	<b>CO3</b>
<b>SECTION-D</b> <b>2Qx15M= 30 Marks</b>			
Q 18	Mention and explain the different types of International Credit Instruments of FOREX market.	<b>15</b>	<b>CO2</b>
Q 19	Explain the term <b>Factoring</b> and highlight the process involved in it.  Or  Explain the term <b>Forfaiting</b> and highlight the process involved in it.	<b>15</b>	<b>CO3</b>